

of Arizonans and learned first-hand of the significant water issues raised by the transfer of federal land into private ownership. I want to thank all of the citizens that offered their time, expertise, and interest and provided us with valuable information on these issues. In large measure because of their efforts, I am more keenly aware that one of the most crucial challenges facing Arizona is the wise management of its water resources, particularly as we endure extended drought coupled with rapid population growth. Therefore, I am pleased that in addition to facilitating the Northern Arizona land exchange, this bill includes a number of new provisions to address water supply concerns associated with the exchange.

First, in order to ensure that current water users and water rights holders are not adversely affected by increased future water demands, an agreement was reached to remove an 820 acre parcel of federal land in the Verde Valley, where the long-term availability of water supplies is uncertain and current problems exist. On the remaining 2000 acre parcel of federal land in the Verde Valley, a maximum water use limit of 300 acre-feet per year has been established along with other land and water use restrictions.

Further, this bill includes a new title which supports the creation of a Verde River Basin Partnership to advance sound water resource decision-making at the state and local level in Northern Arizona.

The development of a sound, long-term watershed management plan requires the involvement of all the stakeholders with water supply responsibilities and interests and a foundation of knowledge about available resources and existing demands. We are fortunate to have an existing model of collaborative science-based water resource planning and management with the Upper San Pedro Partnership in the Sierra Vista subwatershed of Arizona. In my view, the establishment of a similar, cooperative body in the Verde Basin will be a vital step in assuring the wise use of our limited water resources.

Again, I want to thank all of the parties involved in this legislation during the past several years.

VETERANS HEALTH PROGRAMS IMPROVEMENT ACT OF 2004

Mr. GRAHAM of Florida. Mr. President, I rise today to applaud the passage of H.R. 3936, which is essentially a conference report on various veterans' health care measures. This bill will go far in giving the Department of Veterans Affairs, VA, the tools it needs to continue providing high-quality health care to our Nation's veterans. Though the bill contains many important provisions, I would like to draw attention to just a few of its key ones.

H.R. 3936 would authorize specialized centers to improve the rehabilitation services available to veterans suffering

from multiple combat injuries. The centers would focus on all aspects involved in the development of improved rehabilitation programs, including through research, education, and clinical activities. These comprehensive centers are designed specifically to fill the gap that currently exists in the treatment of the complex injuries that result from modern conflict. Due to technological advancements in warfare and body armor, as well as improvements in battlefield medical care, an increased number of service personnel are surviving wounds that probably would have been fatal in previous wars.

The centers would be part of a larger collaboration effort between the Department of Veterans Affairs, VA, and the Department of Defense, DoD, in order to improve the rehabilitation process and treatment of these service members once they have returned from overseas. The initiative as a whole truly represents the way in which VA health care is evolving with changes in the areas of warfare and health care delivery.

The Veterans Health Programs Improvement Act of 2004 also would require VA to track waiting times for specialty care services and subsequently issue to Congress a report on any such waiting times of more than 3 months. VA has been suffering from a severe shortage of specialty care physicians. This shortage has led to significant increases in the time it takes for veterans to get appointments for specialty services like audiology and ophthalmology.

This compromise legislation would also provide a fix for the way VA per diem payments to State homes for veterans are handled, as they relate to Medicaid. Recently, many State homes have become Medicaid-certified to secure eligibility for payment for any veteran who qualifies under the Medicaid program. However, Medicaid officials determined that VA per diem payments made to State homes for the care of veterans are "additional payments" made on behalf of an individual patient. Thus, VA's per diem payments must be reimbursed to the Medicaid program. This provision would specify that per diem payments made by VA for the care of veterans in State homes will not be used to offset or reduce any other payment made to assist veterans in securing health care services. The impact of this change will be felt in many States across the country, including my home State of Florida.

Mr. President, I am proud to have contributed to legislation that is so vital to the continued provision of quality health care to our Nation's veterans. I thank my colleagues in both Chambers of Congress for their support of this measure.

VETERANS' BENEFITS IMPROVEMENT ACT OF 2004

Mr. GRAHAM of Florida. Mr. President, as ranking member of the Com-

mittee on Veterans' Affairs, I am proud to announce the passage of S. 2486, the Veterans Benefits Improvement Act of 2004, by both Chambers of Congress.

This bill, which I shall call the compromise agreement, is the final version of a veterans omnibus bill. The compromise agreement will improve and expand a host of veterans benefits, including: survivors benefits for spouses with dependent children; housing benefits; and educational benefits for Guard and Reserve members, veterans, and spouses of veterans killed on active duty.

It is very appropriate that at a time when our airmen, soldiers, sailors and marines are in harm's way, that we remember the sacrifices that those before them have made on behalf of this great Nation by improving and expanding veterans benefits for our Nation's bravest and their families.

I will briefly highlight some of the more important provisions. For further explanation of the proposed legislation please see the Joint Explanatory Statement, which accompanied the passage of the bill.

Dependency and indemnity compensation is a monthly benefit paid to eligible survivors of service members who died on active duty, and of certain veterans. A larger monthly benefit is paid to surviving spouses with children under the age of 18. Under this legislation, dependency and indemnity compensation for survivors, with dependent children, of spouses killed on active duty would be increased by \$250 a month, for 2 years, beginning on the date when entitlement to benefits begins. A VA contracted study found that spouses with children had a higher level of unmet need than spouses without children. This provision is included to further aid the transition of surviving spouses with dependent children. We must make every effort to make certain that the families of service members who paid the ultimate sacrifice have their needs met.

Owning a home of one's own is the American Dream. This legislation would make that dream a reality for more of our veterans by increasing the maximum amount of the VA home loan guaranty. The current VA loan limit of \$240,000 restricts beneficiaries from using the guaranty because it is insufficient to cover median housing prices in many parts of the Nation. Section 403 of the compromise agreement would increase the maximum VA loan amount to \$333,700. It would also index the loan limit to 25 percent of the conforming loan limit for a single-family residence as set by Freddie Mac. This would allow the loan limit to continue to rise with the cost of housing inflation automatically. This change, coupled with the reinstatement of the VA adjustable rate mortgage loan program and improvement of the hybrid adjustable rate mortgage loan program will allow many more veterans to be able to purchase a home.

The second half of the American Dream is a college education. Educational assistance is provided to the surviving spouse of a service member or veteran who died of a service-connected injury, or the spouse of a veteran who is rated by VA to be totally and permanently disabled. The spouse has 10 years to use the entitlement. However, many surviving spouses, during this difficult transitional period, are busy raising children and working making it impossible to use the education benefit. This legislation would give an additional 10 years to the surviving spouse of a service member who died of a service-connected disability to use the benefit.

Under current law, a member of the Selected Reserve or National Guard must contribute a nonrefundable \$1,200 in order to participate in the Montgomery GI Bill education program. However, a member of the Selected Reserve must spend one year on active duty before being eligible for the program. Section 109 of the committee bill would create flexibility and allow the Montgomery GI Bill participation fee to be collected not later than 1 year after the completion of 2 years of active duty, ensuring that the Reserve or Guard has become eligible by satisfying the service requirement.

With the costs of attending college rising, it is important that we do as much for our veterans as possible so that they may reach their academic objectives. This legislation would allow VA to reimburse eligible beneficiaries for the cost of certain national admission tests, such as the Law School Admission Test, Graduate Record Exam, Graduate Management Admission Test, and Scholastic Aptitude Test, and for course credit at institutions of higher learning, such as the Advanced Placement Exam and College-Level Examination Program.

In keeping with this committee's continuing effort to aid veterans in attaining appropriate education and employment opportunities, this legislation improves the full-time apprenticeship and on-job training programs under the MGIB. Section 103 of the compromise agreement, for more than a 2-year period, would increase the full-time VA monthly educational assistance allowance payable to individuals participating in these training programs. For the first 6 months of training, the monthly benefit would increase to 85 percent from 75 percent; for the second 6 months, 65 percent from 55 percent; and the remainder of months, 45 percent from 35 percent. Additionally, section 104 of the compromise agreement authorizes VA to pay educational benefits to veterans participating in competency-based apprenticeships, in addition to time-based apprenticeships, bringing the VA program in line with the way most apprenticeship programs are structured today.

These provisions show our veterans America's continuing unwavering sup-

port of the service and sacrifice that they have made on behalf of this country. Particularly at a time when we are at war, we must ensure our service members that we will fulfill the commitment promised by Abraham Lincoln, "to care for him that shall have borne the battle and for his widow and his orphan."

In conclusion, I specifically thank Senator SPECTER and his benefits staff for their work on this comprehensive bill, specifically Bill Tuerk, Jon Towers and Chris McNamee, and my staff—Buddy Menn, Mary Schoelen, Dahlia Melendrez, Ted Pusey, Amanda Krohn, and Tandy Barrett, who recently left the committee, for all of their hard work in helping to put this legislation together. I thank my colleagues for their support of this legislation on behalf of America's veterans and their families.

DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE PERSONNEL ENHANCEMENT ACT OF 2004

Mr. GRAHAM of Florida. Mr. President, I rise today to applaud the passage of S. 2484, which reflects a compromise agreement on a new system for compensating physicians and dentists in the Department of Veterans Affairs, VA, health care system, as well as alternative work schedules for VA nurses. VA doctors and dentists have not gotten a pay adjustment in over a decade. All of these measures are aimed at improving VA's ability to recruit and retain quality health care professionals. I would like to highlight some of the key aspects of this legislation.

The compromise agreement would set forth a three-tiered system for paying VA physicians and dentists. The three tiers consist of base, market, and performance pay. The base pay element is similar to that employed by other Federal agencies, also known as the General Schedule, GS, system. As such, increases would be guaranteed for every 2 years a physician or dentist remains employed by VA.

The second component of the new pay system is market pay. This element would be implemented by the Secretary in the form of pay bands that will be determined by surveys of regional salaries in the academic and private sectors. Also relevant to the market pay determinations are factors such as the scarcity, or abundance, of certain specialty physicians, type and years of experience, and board certifications. Finally, the Secretary would consult with professional review panels composed of other physicians or dentists.

The final component is performance pay. Performance pay would be awarded to doctors and dentists if they meet certain goals and measures set forth by the Secretary. Currently, VA has extensive performance measures that it utilizes to motivate its health care pro-

viders and ensure quality of care. This element has a maximum of \$15,000 or 7.5 percent of the sum of the base and market pay.

One other major section of this agreement would establish alternative work schedules for VA nurses. It is widely known that the entire country is suffering from a nursing shortage. VA anticipates that it will be hit especially hard by the retirement of a significant portion of its nursing workforce over the next 10 years. S. 2484 would allow VA to employ different types of working schedules in order to attract more nurses to the system.

I am proud to have worked on this valuable piece of legislation for our Nation's veterans, and I thank my colleagues in both Chambers of Congress for their support.

RECENT VISIT TO CANADA BY PRESIDENT BUSH

Mr. CRAPO. Mr. President, I commend President Bush on his recent trip to Canada and efforts to build on our strong relations with our neighbor to the north. Canada is our Nation's largest trading partner and one of our closest allies, and this relationship must continue to remain vibrant and strong. As the co-chairman of the Canada-U.S. Interparliamentary Group, I continue to work with my peers in Canada to do what I can to assist in this effort.

Despite certain media coverage to the contrary, many Canadians warmly embrace Americans and the President's policies. I want to share comments made by Senator Jerry Grafstein in the Canadian Senate on the occasion of President Bush's visit. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"MANIFEST DEMOCRACY"—THE BUSH DOCTRINE

Honourable senators, today President Bush visits Canada. We welcome President Bush, his wife and his senior advisers to our nation's capital. As Co-chair of the Canada-U.S. Interparliamentary Group, now the largest interparliamentary group in Parliament, it is my hope that Canada will actively engage President Bush and the Bush doctrine, which I call "Manifest Democracy."

Senators will recall that, in 1947 the then Minister of External Affairs, Louis St. Laurent, in Toronto defined the principles and practices of Canada's foreign policy based on these words: "freedom, liberty and democracy." Mr. St. Laurent and his then Deputy Minister, Mr. Pearson, were not confused by political debate or shifting political opinion within or outside Canada when it came to Canada's strategic interests.

In 1947, the UN was gridlocked. It was Mr. St. Laurent who convinced a reluctant Mr. King that Canada should take the lead in constructing and joining a transatlantic coalition of democracies to enhance our collective security called NATO. Mr. St. Laurent had learned well from the lessons of history—the sad experience of the League of Nations and the causes of World War II. Mr. St. Laurent believed in the democratic dialectic. Both Mr. St. Laurent and Mr. Pearson